




DATE: January 11, 2007

TO: Redevelopment Agency Board of Directors
CVRC Board of Directors

VIA: Jim Thomson, Interim Executive Director/CEO 

FROM: Maria Kachadoorian, Finance Director, 
Ann Hix, Acting Director of Community Development 

SUBJECT: Redevelopment Year-End Reports for FY 2005-2006

BACKGROUND:

The Chula Vista Redevelopment Agency is required to prepare an Annual Report for consideration by its board. California State Health and Safety Code Section 33080.1 requires the report to include the following elements: (1) an independent financial audit report and opinion regarding the Agency's compliance with applicable regulations; (2) the Report of Financial Transactions of Community Redevelopment Agencies (State Controller's Report); and (3) the State Department of Housing and Community Development Schedules A-E. These reports provide detailed information regarding the activities of the Redevelopment Agency.

RECOMMENDATION:

Staff recommends that the Chula Vista Redevelopment Corporation and Redevelopment Agency accept the Redevelopment Year-End Reports for FY 2005-2006.

DISCUSSION:

Independent Financial Audit Report

Pursuant to the City Charter and California State Health and Safety Code, an annual audit is performed of the Agency's financial records by an independent accounting firm. The report is included as **Attachment 1**. The firm of Moreland and Associates has examined the general purpose financial statements of the Redevelopment Agency of the City of Chula Vista, and issued their opinion that those statements "present fairly, in all material respects, the financial position of the Agency as of June 30, 2006, and the results of its operations and cash flows for the year then ended in conformity with generally accepted

accounting principles." The audit did not result in any material adjustments to previously reported year-end figures.

In order to form a basis for their opinion, Moreland and Associates, Inc. evaluated the internal control procedures of the Agency and found no material weaknesses.

This was Moreland and Associates first year serving as the City's auditors. The audit firm was very professional and efficient in their work, and provided fresh insight and ideas that were incorporated into Agency's Consolidated Annual Financial Report (CAFR).

Report of Financial Transactions of Community Redevelopment Agencies

The Report of Financial Transactions of Community Redevelopment Agencies (State Controller's Report), included as **Attachment 2**, provides a summary of the financial transactions of the Redevelopment Agency during FY 2005/06. Additionally, the Agency must provide a description of the properties that it owns, a summary of Agency expenditures in the previous fiscal year that have contributed to alleviating blight, and a list and status of all loans made by the Agency that are in default or out of compliance.

State Department of Housing and Community Development Schedules A-E

Provided as **Attachment 3** are the HCD schedules which report on the status and use of the Low and Moderate Income Housing Funds and housing activities for FY 2005/06.

DECISION MAKER CONFLICTS:

Staff has reviewed the decision contemplated by this action and has determined that it is not site specific and consequently the 500 foot rule found in California Code of Regulations section 18704.2(a)(1) is not applicable to this decision.

FISCAL IMPACT:

None

ATTACHMENTS:

- 1) Independent Financial Audit Report;
- 2) Report of Financial Transactions of Community Redevelopment Agencies (State Controller's Report);
- 3) State Department of Housing and Community Development Schedules A-E

PREPARED BY: Amanda Mills, Housing Manager, Community Development Dept.